



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

NOV 23 2004

Craig Engle, Esq.
Arent, Fox, Kinter, Plotkin & Kahn, PLLC
1050 Connecticut Avenue, NW
Washington, DC 20036-5539

RE: MURs 5299 and 5322

Dear Mr. Engle:

On September 17, 2002, the Federal Election Commission notified your clients in MUR 5299, Gordon Smith for U.S. Senate and Stan Huckaby, as treasurer, Gordon Smith for U.S. Senate 2002, Inc. and Lisa Lisker, as treasurer, and Senator Gordon H. Smith, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On January 22, 2003, the Commission notified your client, Gordon Smith for U.S. Senate, Inc. (96) and Stan Huckaby, as treasurer, of the complaint. On November 9, 2004, the Commission determined to take no action with respect to the complaint. Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). A copy of the dispositive General Counsel's Report is enclosed for your information.

On October 25, 2002, the Federal Election Commission notified your clients in MUR 5322, Gordon Smith for U.S. Senate, Inc. (96) and Stan Huckaby, as treasurer, Senator Gordon H. Smith, and Sharon L. Smith, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your clients, the Commission, on November 9, 2004, found that there is no reason to believe that Gordon H. Smith, and Gordon Smith for U.S. Senate, Inc. (96) and Stan Huckaby, as treasurer, violated 2 U.S.C. §§ 441a(f) with regard to the repayment of the \$2,000,000 line of credit extended by United States Bank of Oregon in 1995. The Commission also found that there is no reason to believe that Sharon L. Smith violated 2 U.S.C. § 441a(a)(1) or (3) by making an excessive contribution to Gordon Smith for U.S. Senate, Inc. (96). Furthermore, the Commission

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dismissed the complaint as it pertains to Gordon Smith for Senate 2002 and Lisa Lisker, as treasurer.

On November 9, 2004, the Commission also found that there is reason to believe that Gordon Smith for U.S. Senate, Inc. (96) and Stan Huckaby, as treasurer, violated 2 U.S.C. § 434(b)(4)(D) and 434(b)(8), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit the bank statements and any other factual or legal materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

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If you have any questions, please contact Delbert K. Rigsby, the attorney assigned to these matters, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Ellen L. Weintraub", with a stylized flourish at the end.

Ellen L. Weintraub
Vice Chair

cc: candidate

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